
State:	District of Columbia	Filing Company:	United States Fire Insurance Company
TOI/Sub-TOI:	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
Product Name:	Trade Credit		
Project Name/Number:	Trade Credit/CF-TC-20-001		

Filing at a Glance

Company:	United States Fire Insurance Company
Product Name:	Trade Credit
State:	District of Columbia
TOI:	28.1 Credit-Credit Default
Sub-TOI:	28.1000 Credit-Credit Default
Filing Type:	Credit
Date Submitted:	01/10/2020
SERFF Tr Num:	CRUM-132217427
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	CF-TC-20-001-R
Effective Date	On Approval
Requested (New):	
Effective Date	On Approval
Requested (Renewal):	
Author(s):	Wesley Pohler
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

State:	District of Columbia	Filing Company:	United States Fire Insurance Company
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General Information

Project Name: Trade Credit	Status of Filing in Domicile: Pending
Project Number: CF-TC-20-001	Domicile Status Comments: Pending in Delaware.
Reference Organization: N/A	Reference Number: N/A
Reference Title: N/A	Advisory Org. Circular: N/A
Filing Status Changed: 01/10/2020	
State Status Changed:	Deemer Date:
Created By: Wesley Pohler	Submitted By: Wesley Pohler
Corresponding Filing Tracking Number:	

Filing Description:

United States Fire Insurance Company ("USF") is submitting its initial Trade Credit filing for your review and approval. A letter permitting Westmont Associates, Inc. to file on USF's behalf is enclosed.

The intent of this submission is to introduce USF's new independent rates and rules for its new Trade Credit Program. Please note that there is no rating impact associated with this submission as this is the initial filing.

The forms to be used with the enclosed materials have been submitted under separate cover as Company filing #: CF-TC-20-001-F.

If you have any questions regarding this submission, please do not hesitate to contact me at (856) 216-0220. Thank you for your attention to this matter.

Company and Contact

Filing Contact Information

Francois Duris, 1763 Marlton Pike East, Suite 200 Cherry Hill, NJ 08003	francois@westmontlaw.com 856-216-0220 [Phone] 211 [Ext]
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Filing Company Information

United States Fire Insurance Company 305 MADISON AVENUE MORRISTOWN, NJ 07962 (973) 490-6600 ext. [Phone]	CoCode: 21113 Group Code: 158 Group Name: FEIN Number: 13-5459190	State of Domicile: Delaware Company Type: State ID Number:
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Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

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Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	
SERFF Tracking Number of Last Filing:	

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
United States Fire Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Trade Credit Rating Plan	US Fire Trade Credit (ed. 01 20)	New		United States Fire Rating Plan - Final (1.2.2020).pdf

United States Fire Insurance Company

Trade Credit

I. General Rules

1. Trade Credit Insurance protects sellers of goods or services against losses caused by the failure of a customer / buyer (debtor) to fulfill the terms of an agreement to pay for the products or services rendered.
2. This Program is divided into the following separate sections:
 - A. General Rules (Section I)
 - B. Base Rates (Section II)
 - C. Common Rating Factors (Section III)
 - D. Optional Coverage Enhancements (Section IV)
 - E. Individual Risk Premium Modification Plan (Section V)
3. Rounding Procedure
 - A. Round rates, factors and multipliers after the final calculation to three decimal places. Five tenths or more of a mill shall be considered one mill, for example, .1245 = .125.
 - B. Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving \$.50 or over to the next higher whole dollar, for example, \$.50 = \$1.00
4. Policy Term
 - A. The majority of policies are written on an annual basis.
 - B. Policies may be written for a specific term up to three years or a term of less than one year.
 - C. Compute the premium using the sales anticipated during the policy period. In the event that the sales for the policy period are not available use the annual rates in effect at policy inception multiplied by the policy term expressed in years (term factor), for example:

Policy Term	Term Factor
6 Months	0.5
12 Months	1.0
18 Months	1.5
24 Months	2.0
36 Months	3.0

- D. Policies written for a term longer than one year are subject to an annual policy review.

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5. A rate or rating factor should be interpolated using the filed factors if the desired factor is not displayed.

6. Policy Writing Minimum Premium

- A. A Trade Credit policy is subject to a \$10,000 policy writing minimum premium.
- B. Apply a minimum premium regardless of term.

7. Premium Determination

The total policy premium when providing coverage for the Trade Credit policy is determined in the following order:

- A. Calculate the base premium.
- B. Determine the modified base premium by multiplying the base premium by any applicable common rating factors
- C. Add the premium for any optional coverages provided to the modified base premiums to determine the total manual premium.
- D. Multiply the total manual premium by the applicable Individual Risk Premium Modification factor to determine the final premium.
- E. If the final premium is less than the policy writing minimum premium, charge the policy writing minimum premium.

8. Additional Premium Changes

A. Calculation of Premium

- 1) Prorate all changes requiring additional premium.
- 2) Apply the rates and rules in effect on the effective date of the policy, or, if the change is made after an anniversary date of the policy, apply the rates and rules in effect on that anniversary date. The additional premium developed is in addition to any applicable policy writing minimum premium.

B. Waiver of Premium

- 1) Additional premiums at or below \$15 shall be waived.
- 2) This waiver applies only to that portion of the premium due on the effective date of the policy change.

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9. Return Premium Changes

A. Premium Computation

- 1) Compute return premium at the rates used to calculate the total policy premium.
- 2) Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced. Retain the policy writing minimum premium.

B. Waiver Of Premium

- 1) Return premiums at or below \$15 shall be waived.
- 2) This waiver applies only to that portion of the premium due on the effective date of the policy change.
- 3) Any return premium due will be provided at the insured's request.

10. Policy Cancellations

A. Compute return premium pro rata and round to the next higher whole dollar when a policy is cancelled:

- 1) Because the insured no longer has a financial or insurable interest in the trade debt that is the subject of insurance or because the supply contract is canceled; or
- 2) After the first year of a policy written for term of more than one year.

B. Prepaid Policies – If cancelled during the first year, return the pro rata unearned premium for the first year, plus the full annual premium for the subsequent years.

C. Retention of Policy Writing Minimum Premium – Retain the Policy Writing Minimum Premium, except when a policy is cancelled as of the inception date.

11. Premium Audit

A. Due to the rating basis being sales, the actual exposure may not be known at the time of policy issuance. In these cases a premium audit is conducted to determine the final policy premium.

B. When a premium audit is required:

- 1) An advance premium may be required, which is a deposit premium only. No less than 70% of the expected exposure will be used as the basis for the advance premium collected at policy inception.
- 2) At policy expiration an audit will be conducted of the insured's exposures. We compute all adjustments to the policy premium as a result of the audit in accordance with our rates and rules.

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12. Special Rule for Individual Risk Situations

A. Refer To The Company

- 1) For rating or classifying any risk or exposure for which:
 - a) The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk; or
 - b) The coverage to be written is broader than that contained in the applicable Standard Coverage Part; or
 - c) There is proof that, for a specific coverage, the named risk is qualified for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or
- 2) If a Coverage Part providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class.

B. Regulatory Obligations

- 1) When a particular risk is modified in accordance with Paragraph A., companies should maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Such modifications need not be filed with the state regulator.
- 2) To the extent that consent-to-rate procedures apply, they will be followed.
- 3) To the extent that forms filing requirements apply, they will be followed.
- 4) Rates shall not be inadequate, excessive or unfairly discriminatory.

13. The basic form to be used to provide coverage for trade credit is TC 00 001, Trade Credit Insurance Agreement Form.

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II. Base Rates

1. The base premium is to be determined by multiplying the applicable base rate by the anticipated insurable sales
2. The base rate is determined by applying the anticipated insurable sales to the applicable base rates from the table below. The base rates are displayed as a percentage of sales.

Anticipated Insurable Sales	Base Rate
First \$5,000,000	0.500%
Next \$5,000,000	0.300%
Next \$40,000,000	0.250%
Next \$50,000,000	0.200%
Next \$150,000,000	0.150%
Over \$250,000,000	0.100%

3. Rating Example

The base premium for an insured with anticipated insurable sales of \$20,000,000 would be determined as follows.

Anticipated Insurable Sales	Base Rate	Base Premium (Insurable Sales x Base Rate)
First \$5,000,000	0.500%	\$25,000
Next \$5,000,000	0.300%	\$15,000
Next \$10,000,000	0.250%	\$25,000
Sum Total (\$20,000,000)		\$65,000

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III. Common Rating Factors

1. Buyer Quality Modification

- A) The base premium is to be modified to reflect the risk assessment of the quality of the buyers based around United States Fire Buyer Risk Rating (MBRR)
- B) In the event of multiple buyers, United States Fire Buyer Risk Rating is determined based upon the weighted by the limits of insurance being provided to each buyer.
- C) The modification factor will be selected from the following based upon the rating provided by the rating service.

Standard & Poor's Rating	Moody' Rating	United States Fire Buyer Risk Rating	Modification Factor
AAA	Aaa	1	0.25
AA+	Aa1		
AA	Aa2		
AA-	Aa3		
A+	A1	2	0.55
A	A2		
A-	A3		
BBB+	Baa1	3	0.65
BBB	Baa2	4	0.75
BBB-	Baa3	5	0.95
BB+	Ba1	6	1.15
BB	Ba2		
BB-	Ba3	7	1.35
B+	B1		
B	B2	8	1.75
B-	B4	9	5.00
CCC+	Caa1		
CCC	Caa2		
CCC-	Caa3		
CC	Ca		
D	C	10	Not Available

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- D) The underwriter will review financial information, taken from annual audited accounts and/or management accounts.
- E) In the event that the rating agency has yet to provide a rating to a buyer or the buyer rating assigned by the rating service is not consistent with the most recent available financial information, a United States Fire Buyer Risk Rating will be determined as follows.
- a. The financial risk will be evaluated based upon a weighted score of the following financial ratios. The result of the weighted score is a value from 0-10.
 - i. Profitability
 - 1. Revenue Growth
 - 2. Revenue ÷ Cost Of Goods Sold
 - 3. Gross Profit Margin
 - 4. Earnings Before Interest, Taxes, Depreciation & Amortization Margin (EBITDA)
 - 5. Net Earnings Growth
 - 6. Return On Equity
 - 7. Return On Assets
 - ii. Liquidity
 - 1. Current Ratio
 - 2. Quick Assets
 - 3. Equity ÷ Total Assets
 - 4. Gearing (Total Debt ÷ Tangible Net Worth)
 - 5. Total Debt as a Multiple of EBITDA
 - 6. Interest Cover
 - 7. Cash Flow ÷ Interest/Current Debt
 - iii. Efficiency
 - 1. Sales ÷ Gross Margin
 - 2. EBITDA ÷ Gross Margin
 - 3. Net Cash Flow from Operations
 - b. Following the financial risk assessment, adjustments will be made by the application of Deficiency Points to reflect aspects of the buyer risk that cannot be assessed through the financials in isolation. These adjustments are intended to reflect increases and decreases in hazards not contemplated by the above financial risk analysis.
 - i. Determine the deficiency points using the table below for each Deficiency Point Category separately for each Buyer.

United States Fire Insurance Company Trade Credit

Deficiency Point Category	Deficiency Point Characteristic	Deficiency Point Range
Reliability of Information	Has the buyer's documentation provided been audited? Is the information provided complete and accurate?	0.0 to +0.50
Payment Performance	Are there known market delays? What is the frequency of the buyer's adverse performance?	0.0 to +0.50
Industry Outlook	What is the macro-economic climate? Is there an impact to the buyer related to geographic location?	-0.50 to +0.50
Market Structure	What is the significance of the buyer in relation to both the global and local marketplace?	-0.25 to +0.25
Debtor Quality	What is the spread and quality of the buyer's debts? Is there any concentration on key accounts?	-0.25 to +0.25
Other Liabilities	Does long term operating ease current risks observed in balance sheet liabilities?	0.0 to +0.25
Access to Capital	What is the level of access of the buyer to capital and debt markets?	-0.50 to +0.50
Management	What is the expertise and depth of the buyer's management team?	-0.25 to +0.25
Longevity	How long has the buyer been operating as an established business?	-0.25 to +0.25
Other	Are there any otherwise unspecified considerations, including post balance sheet events, that may materially affect the buyer's risk?	-1.00 to +1.00

- ii. To determine United States Fire Buyers Risk Rating sum the Deficiency Points for all of the Categories and add the result to the weighted score determined during the financial analysis.
- c. In the event that a buyer has not been rated by an agency nor do they have filed financials, a United States Fire Buyers Risk Rating will be established based upon estimated market share, longevity, company standing and market trends.
- d. The modification factor will be selected from the above chart based upon the calculated United States Fire Buyers Risk Rating.

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2. Country Risk Modification

- A. The base premium is to be modified based upon the country where the buyer's reside.
- B. The Grade assigned to the country where the buyer resides is determined by the Standard & Poor Ratings.
- C. The insured's international sales are broken down by country and weighted by the amount of sales per country to determine the country risk modification applied.
- D. Select the applicable modification factor from the table below.

S&P Country Grade	Modification Factor
AAA / AA	0.65 - 1.00
A / BBB+	0.75 - 1.25
BBB/BB+	0.85 - 1.45
BB/B+	1.15 - 1.80
B/B-	1.25 - 2.00
CCC+/CCC	1.35 - 2.50
CC /D	1.50 - 3.00
Unrated	0.75 - 1.25

3. Trade Sector Modification

- A. The base premium is to be modified to reflect the trade credit risk associated with the trade sector default rates.
- B. The trade sector default rate will be established based upon Standard & Poor's historical data.
- C. Select the applicable modification factor from the table below.

Trade Sector Default Rates	Modification Factor
Less than 1.00%	1.00
1.00% to 1.50%	1.10
1.51% to 2.00%	1.20
More than 2.00%	1.30

4. Dispersion of Risk Modification

- A. The base premium is to be modified to reflect the concentration of risk found in the debtor's portfolio.
- B. The modification is determined based upon the number of accounts in the debtor's portfolio.

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- C. Select the applicable modification factor from the table below.

Debtor's Number of Accounts	Modification Factor
Less than 3	1.50
3 – 5	1.35
6 – 10	1.25
11 – 20	1.00
21 – 25	0.85
25 – 50	0.80
Over 50	0.65

5. Days Sales Outstanding Modification

- A. The base premium is to be modified based upon the insured's Days Sales Outstanding Accounting ratio.
- B. The ratio is calculated by dividing the accounts receivable balance by the total sales. The result is then multiplied by the number of days in the sales period.
- C. Select the applicable modification factor from the table below.

Rating	Modification Factor
Materially lower than industry average	0.90
Consistent with industry average	1.00
Materially higher than industry average	1.10

6. Loss History Modification

- A. The base premium is to be modified to the insured's loss history.
- B. Up to ten years of the latest loss experience available will be used when establishing the applicant's loss ratio.
- C. Select the applicable modification factor from the table below.

Loss Ratio	Modification Factor
Up to 25.0%	1.00
25.1% to 50.0%	1.25
50.1% to 100.0%	1.50
100.1% to 150.0%	1.75
More than 150.0%	2.00

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IV. Optional Coverage Enhancements

1. Covered Perils

- A. The base premium contemplates that comprehensive perils are to be covered.
- B. Comprehensive Perils includes the following
 - 1) Commercial Risks
 - a) Insolvency
 - b) Default
 - 2) Political Risks
 - a) Transfer Loss
 - b) Government Action
 - c) War
 - d) Public Buyer Default
- C. Coverage may be limited to Commercial Perils.
- D. The causes of loss being provided on the policy will be displayed in the applicable declarations and appendices.
- E. When coverage option is provided apply the following modification factor

Perils	Modification Factor
Comprehensive	1.00
Commercial – Insolvency & Default	0.85
Commercial – Insolvency Only	0.75

2. Claims Trigger

- A. The Trade Credit policy can be structured to insure losses based on the following two types of claims triggers
 - 1) Shipment (Risk Attaching) policies provide coverage for all shipments made during the policy period
 - 2) Loss Occurring policies provide coverage for all losses that fall within the policy period, regardless of when the shipment was made.
- B. The base premium contemplates a Shipment Claims Trigger.
- C. The claims trigger being provided on the policy will be displayed in the applicable declarations and appendices.
- D. When this coverage option is provided apply the following modification factor

Claims Trigger	Modification Factor
Loss Occurring	0.85
Shipment	1.00

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3. Each and Every First Loss

- A. In lieu of a non-qualifying loss, the insured may elect to have a Per Loss Deductible (each and every first loss,) which shall be deducted from every claim before the application of the Insured Percentage.
- B. When the Per Loss Deductible is chosen, the Non-Qualifying modification factor is not applied.
- C. The selected Per Loss Deductible amount is to be displayed on the Trade Credit Policy Declarations, MDTC 1000.
- D. When this coverage option is provided apply the following modification factor

Per Loss Deductible	Mod Factor	Per Loss Deductible	Mod Factor
\$0	1.150	\$20,000	0.900
\$2,500	1.100	\$25,000	0.875
\$5,000	1.050	\$50,000	0.850
\$7,500	1.000	\$100,000	0.700
\$10,000	0.950	\$250,000	0.550
\$15,000	0.925		

4. Non-Qualifying Loss

- A. The non-qualifying loss is the minimum threshold that must be exceeded for a loss before an insured may file a claim.
- B. The base premium contemplates a non-qualifying loss of \$10,000.
- C. Other non-qualifying loss options are available.
- D. The selected non-qualifying loss amount is to be displayed on the Trade Credit Policy Declarations, MDTC 1000.
- E. When this coverage option is provided apply the following modification factor

Non-Qualifying Loss	Mod Factor	Non-Qualifying Loss	Mod Factor
\$2,500	1.150	\$20,000	0.950
\$5,000	1.100	\$25,000	0.925
\$7,500	1.050	\$50,000	0.900
\$10,000	1.000	\$100,000	0.750
\$15,000	0.975	\$250,000	0.600

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5. Discretionary Credit Limit

- A. An optional discretionary credit limit may be required.
- B. The selected Discretionary Credit Limit amount is to be displayed the Discretionary Credit Limit Endorsement (Option A, Option B, or Option C)
- C. When this coverage option is provided apply the following modification factor

Discretionary Credit Limit	Modification Factor
Up to 50% of the Aggregate Deductible	0.90
51% to 100% of the Aggregate Deductible	1.00
101% to 150% of the Aggregate Deductible	1.05
151% to 200% of the Aggregate Deductible	1.15
Over 200% of the Aggregate Deductible	1.20

6. Insured Percentage

- A. The insured percentage is the amount of each insured loss that the company will pay.
- B. The base premium contemplates an insured percentage of 90%
- C. Other insured percentage options are available.
- D. The selected Insured Percentage amount is to be displayed on the Supplementary Declarations – Country Limits and Waiting Periods, MDTC 1002.
- E. When this coverage option is provided apply the following modification factor

Insured Percentage	Modification Factor
100%	1.15
95%	1.05
90%	1.00
85%	0.95
80%	0.90
75%	0.85

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7. Annual Aggregate Deductible
 - A. The Annual Aggregate Deductible may be applied to the policy.
 - B. The base premium contemplates no Annual Aggregate Deductible applies.
 - C. Higher Annual Aggregate Deductibles are available
 - D. The selected Annual Aggregate Deductible amount is to be displayed on the Trade Credit Policy Declarations, MDTC 1000.
 - E. Reduce the otherwise chargeable premium by \$2,000 for each \$10,000 increase in the annual aggregate deductible.

8. Maximum Liability of the Policy
 - A. The maximum liability limit of the policy will be a factor of the final premium.
 - B. The base premium contemplates a maximum liability limit of no more than 50 times the final premium.
 - C. Higher maximum liability limits are available.
 - D. The selected Maximum Liability amount is to be displayed on the Trade Credit Policy Declarations, MDTC 1000.
 - E. Add \$5,000 to the otherwise chargeable premium for each \$1,000,000 of additional policy limits required.

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9. No Claims Bonus

A. Description

- 1) United States Fire's Trade Credit program rewards policyholders with limited loss experience by providing insureds with a No Claims Bonus.
- 2) The No Claims Bonus will be applied in a fair and non-discriminatory manner based upon the individual risk quality and experience of the policyholder.

B. Eligibility

- 1) At the insured's request the no claims bonus will be applied to any policy that
 - a) provides coverage for multiple buyers; and
 - b) that have documented credit management controls and procedures are in place and administered by experience staff.

C. Conditions

- 1) Eligible insureds will receive a rebate of premium if the following conditions are met
 - a) No Loss being paid in respect of the Policy Period;
 - b) The Insured releasing the Insurer from liability under the Policy;
 - c) The Policy being renewed for a further 12-month period with effect from expiry.

D. Attach No Claims Bonus, TC 99 001.

E. Premium Credit

- 1) Eligible insureds will receive a premium credit of 5% to 20%.
 - a) The premium credit will be selected based upon the following
 - i) The number of years United States Fire has written the policy
 - ii) The insured's claims experience
 - iii) Market conditions present in the insured's trade sector

United States Fire Insurance Company
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V. Individual Risk Premium Modification Plan

The company premium for the risk may be modified in accordance with the following rating table to recognize such special characteristics of the risk as are not fully reflected in the basic company premium or company rates. The total credits or debits under the following table shall not exceed 25%.

Risk Characteristic	Credit		Debit
A. Insured's Financial Condition	15%	to	15%
B. Reason for Trade Credit Insurance	5%	to	5%
C. Atypical Underwriting Expenses	15%	to	15%
E. Executive Management	10%	to	10%
F. Impact of Global Events	5%	to	5%
G. Credit Management	15%	to	15%
H. Classification Peculiarities	10%	to	10%
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Supporting Document Schedules

Bypassed - Item:	Actuarial Certification (P&C)
Bypass Reason:	Not applicable to this filing; new program rates/rules.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	Please refer to the below memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	All Rates and Rules
Comments:	Understood; we are splitting the filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter
Comments:	Please refer to the below cover letter.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	Not applicable to this filing; new program rates/rules.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not applicable to this filing; new program rates/rules.
Attachment(s):	
Item Status:	
Status Date:	

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Bypassed - Item:	Fraud Warning
Bypass Reason:	Not applicable to this filing; new program rates/rules.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Manual Page(s)
Comments:	Please refer to the rate/rule tab.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Property and Casualty
Comments:	Understood; the Company will comply with the applicable citations.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Public Access
Comments:	Understood.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Readability Certificate
Bypass Reason:	Not applicable to this filing; new program rates/rules.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Letter of Authorization
Comments:	
Attachment(s):	2019-12-17_170708.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter
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State:	District of Columbia	Filing Company:	United States Fire Insurance Company
TOI/Sub-TOI:	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
Product Name:	Trade Credit		
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Comments:	Please refer to the attached cover letter.
Attachment(s):	Cover Letter Rates Split.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Rate Memorandum
Comments:	Please refer to the attached.
Attachment(s):	Rate Memo.pdf
Item Status:	
Status Date:	



CRUM & FORSTER®

A FAIRFAX COMPANY

305 Madison Avenue, Morristown, NJ 07962

December 2, 2019

RE: UNITED STATES FIRE INSURANCE COMPANY
NAIC # : 2113
FEIN # : 13-5459190
Letter of Authorization
Filing of Forms, Rates and Rules

To whom it may concern:

In accordance with the applicable statutes and regulations of your state, Wesley Pohler, Sherri Penn, Erin Burke and Westmont Associates, Inc. are hereby authorized to file form, rate and rule filings on behalf of the Company for Trade Credit Insurance only.

Please direct all correspondence in relation to these filings directly to Mr. Wesley Pohler of Westmont Associates, Inc., 1763 Marlton Pike East, Suite 200, Cherry Hill, NJ 08003. Should you have any questions concerning these filings, please contact Mr. Pohler at (856) 216-0220, fax (856) 216-0303 or via e-mail at wes@westmontlaw.com.

Thank you for your assistance in this matter.

Sincerely,

Lawrence Kwon
Vice President



January 2, 2020

Department of Insurance
Property and Casualty Division
Rate and Rule Review Section

Re: United States Fire Insurance Company (NAIC #: 21113)
Trade Credit Product
Rates and Rules Initial Filing
Company Filing Number: CF-TC-20-001-R
Effective Date: On approval or earliest effective date

To Whom It May Concern:

United States Fire Insurance Company ("USF") is submitting its initial Trade Credit filing for your review and approval. A letter permitting Westmont Associates, Inc. to file on USF's behalf is enclosed.

The intent of this submission is to introduce USF's new independent rates and rules for its new Trade Credit Program. Please note that there is no rating impact associated with this submission as this is the initial filing.

The forms to be used in coordination with the enclosed materials have been submitted under separate cover as Company filing #: CF-TC-20-001-F.

If you have any questions regarding this submission, please do not hesitate to contact me at (856) 216-0220. Thank you for your attention to this matter.

Respectfully Submitted,
Wesley Pohler
Wesley Pohler
Vice-President
Westmont Associates, Inc.

Enc.

Cc: R. Pillay (USF)

UNITED STATES FIRE INSURANCE COMPANY
TRADE CREDIT PRODUCT
RATES – EXPLANATORY MEMORANDUM

United States Fire Insurance Company is submitting its initial new program rates for its Trade Credit product.

The Company's Trade Credit product will be a "whole turnover", multi-buyer business, insuring diverse industries. The target market will be medium sized companies with insurable turnover between \$50 million and \$300 million, with policy, buyer, and country limits of liability managed based on risk and reinsurance availability.

The rates enclosed are substantially similar to those approved for Markel Insurance Company on a countrywide basis. As the Company gains experience in writing this product, it will monitor its experience and if warranted, will make the appropriate revision filing with your Department.

The rates enclosed are not unfair, discriminatory nor excessive. There is no rating impact associated with this submission as the rates are intended for a new program with no current insureds.